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October 30, 2006 NSUARB – NSPI – P-886

NOVA SCOTIA UTILITY AND REVIEW BOARD

IN THE MATTER OF: The Public Utilities Act, R.S.N.S. 1989, c. 380, as amended

- and -

IN THE MATTER OF: An Application by Nova Scotia Power Incorporated, and a Hearing for Approval of Certain Revisions to its Rates, Charges, and Regulations

RECEIVED
OCT 30 2006
Nova Scotia Utility and Review Board

COMMENTS ON PRELIMINARY ISSUES LIST

TO: The Utility and Review Board

Barrington Wind Energy Limited (BWEL), as an Intervener, has the following comments on the Preliminary Issues List.

Item 6. Existing Regulations and Proposed Changes

The Government of Nova Scotia has stated that the market opening is anticipated to be February 1, 2007 and in addition has begun the process of accommodating the implementation of Financial and Physical Contracts for new renewable energy generators in accordance with the Electricity Marketplace Governance Committee recommendations. As there is currently no mechanism that provides for the injection of null energy into the system, even the Wholesale Customers that have Financial Contracts are unable to execute those contracts upon market opening. The Department of Energy, through its *Discussion Paper: Frameworks for renewable energy contracting and cogeneration contracting*, has put forward a marginal cost basis for such energy acceptance. BWEL has provided a supportive rebuttal document on this issue as well, available on the Department of Energy website. Given that there may be development within 2007 in accordance with existing contracts, and the intention to facilitate these contracts through appropriate regulation, the issue of determination of the mechanism for providing payment to generators needs to be assessed in this process.

Item 10. Expenditures related to Demand Side Management (DSM), Integrated Resource Plan (IRP), and Emergency Power Outage Response Measures

Specifically with respect to the IRP, concern has been raised by several Stakeholders that the assumptions put forward reflect a re-issuance of the Emissions Strategy, do not reflect appropriate ratebase risk attached to emissions reductions, and do not reflect a significant utilitization of new renewable technologies within the generation mix moving forward. BWEL concurs with these concerns. The ability of the Board to provide cost-recovery

certainty on these issues pending a more thorough discussion by the Stakeholders could be premature.

Specifically with respect to the DSM initiative, BWEL has concerns about the application of costs for DSM without the rigorous analysis of DSM within the whole IRP context. The absence of a clear set of goals, and their respective potential costs would be need to be resolved in order to appropriately establish an action plan, and costs for such a plan.

DATED at Halifax Regional Municipality, in the Province of Nova Scotia this 30th day of October, 2006.

BARRINGTON WIND ENERGY LIMITED



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